

# **FISCAL NOTE**

## **SB 1477 - HB 1202**

February 23, 2005

**SUMMARY OF BILL:** Merges the University of Tennessee system into the State Board of Regents system and abolishes the UT Board of Trustees. Requires the Tennessee Higher Education Commission to terminate unnecessary programs. The Commission shall also review tuition, maintenance fees, and other charges assessed by each institution and make recommendations to the governing boards regarding adjustments. This bill applies to area vocational-technical schools.

### **ESTIMATED FISCAL IMPACT:**

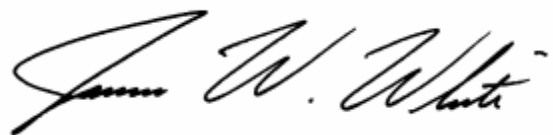
#### **Decrease State Expenditures - Net Impact - Exceeds \$100,000**

Estimate assumes:

- A reduction in state expenditures from reducing administrative costs in higher education resulting from consolidation of the two systems.
- A reduction in state expenditures for travel and related expenses resulting from abolishing the UT Board of Trustees.
- A one-time increase in state expenditures due to the cost of changing to a common accounting system and a common data processing system in order to make the UT and the Board of Regents systems compatible.
- A decrease in state expenditures resulting from eliminating studies of programs deemed duplicative or unnecessary.
- No significant cost savings associated with THEC's authority to terminate programs, since both Boards already work with THEC in eliminating duplicative programming and low producing programs.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director